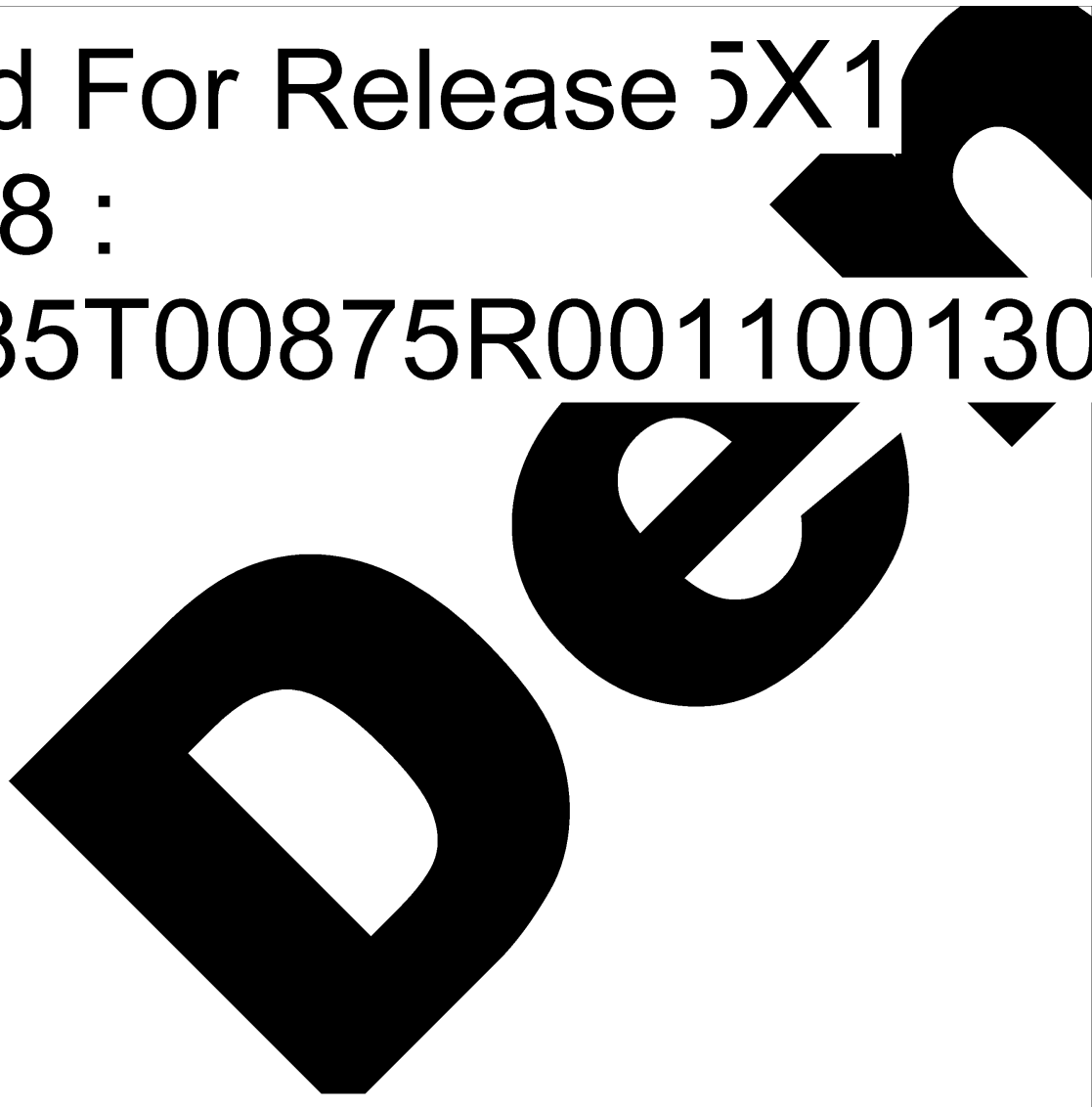

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DIRECTORATE OF
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Intelligence Memorandum

The Panamanian Election

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
3 August 1972

INTELLIGENCE MEMORANDUM

The Panamanian Election

On 6 August Panamanian voters will go to the polls for the first time since the October 1968 coup. They will elect 505 representatives to a new national legislature, which in turn will select the next president and vice president and approve a new constitution. The election is being run without political parties, without issues, and without opposition. Nevertheless, it marks a watershed, a first step in the transition from the Provisional Junta Government to a constitutional government that will institutionalize the power, prestige, and authority of General Omar Torrijos.

Note: This memorandum was prepared by the Office of Current Intelligence and coordinated within CIA.

Campaign '72

Virtually from the moment of the coup that ousted the ten-day-old government of President Arias, the junta has been promising elections and then delaying them because it feared that an election campaign would give the opposition an opportunity to challenge the government before it had fully consolidated its power. By mid-1971, however, Torrijos had concluded that the benefits of holding an election outweighed such disadvantages. He had come to be interested in operating on a world stage, and was therefore sensitive to the extra-legal status of his government. For example, he was concerned that the US Senate would never ratify a treaty signed by that government. An election, he reasoned, would give the government respectability and strengthen his hand in the canal negotiations.

From a domestic standpoint, Torrijos wanted a carefully controlled arena that would provide the masses a sense of involvement and participation. He had already expended considerable energy traveling throughout the country meeting the common people, trying to convince them of his concern for their well-being. He had punched through years of accumulated skepticism and made them feel that his "revolutionary" government had their interests at heart. But he knew it was only a matter of time before their new-found enthusiasm would begin to pale. More and more it was necessary to provide divertissement to convey an aura of forward movement and deflect attention from the fact that Torrijos' commitment to reform considerably exceeded his ability to deliver.

In October 1971, on the third anniversary of his coup, Torrijos decided that he was secure enough to risk elections. Before a record crowd of 100,000 gathered only blocks from the Canal Zone, he announced that elections would be held by August 1972 and that a commission would be appointed to amend the 1946 constitution. As details became available, however, it became clear that Torrijos was risking very little indeed. There would be no direct election of a president or vice president. The oligarchy-controlled political parties that had dominated the political scene since independence would be kept out of business. The new legislature would be 11 times larger than the old one, too unwieldy to serve as much more than a rubber stamp. Its 505 members would be drawn from Panama's smallest division of government, the corregimiento, which is similar to a borough in some US states. The candidates would be carefully screened by the government, and the vast majority of them would be local figures without experience in politics and without a national reputation. Since most would come from the smaller and less sophisticated rural areas, they could be more easily controlled by Torrijos.

While all of this minimized the risk, it also removed the fun. Panamanians, used to their country's notoriously rough-and-tumble election campaigns, could barely stifle a yawn at Torrijos' "new politics." Given the absence of issues or of parties to create them, few seemed to understand the election's purpose and fewer seemed to care. The church decided against active participation. The Communist Party, which has cooperated with the government, gave only lukewarm support to the elections and that only after much debate. Indeed, in some areas, the government found it difficult to induce candidates to run.

For a while such interest as existed was focused on Torrijos' post-electoral plans. At first, there was considerable speculation that Torrijos intended to have the legislature name him president. Then, a couple of months ago, there were indications that the new constitution would provide for a figurehead president who would absorb many of the ceremonial tasks, and a chief of government (read Torrijos) who would exercise real power. Most recently, there have been reports that Torrijos fears his power position would be eroded if he were to give up direct control of the National Guard. The modicum of remaining interest ebbed as Torrijos hinted publicly that he would remain as Guard commandant and that President Lakas would continue in his present post.

The widespread apathy came as a shock to Torrijos. He began to understand that an election, if it was to engage public interest, could not be run on such a basis. The government's half-hearted attempt to form an official electoral vehicle—the New Panama Movement run by government officials and given only a skeleton structure—had proved grossly inadequate to the task of stimulating public enthusiasm. Torrijos came to realize that it was an error not to have created a viable government party and not to have tolerated a limited opposition. Some of his advisers began to wonder whether the election ought not be postponed or the format changed.

Although disappointed, Torrijos had too much riding on the elections, and he was committed to seeing them through. Beginning the weekend of 8 July he began to campaign as though he were actually running for office and even in danger of losing. Traveling with key members of the Guard high command and members of the Constitutional Reform Commission, he held a series of meetings with candidates in each province. In speeches that were given full coverage by the government-controlled press, Torrijos stressed the importance of the election as a guarantee of the continuation of the "revolution" and as a formal communication link between the government and the people. There has been no evidence that the candidates themselves

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have been inspired to do much campaigning or that the theme of guaranteeing the "revolution" will inspire the electorate. Still, the balloting is likely to come off as planned. If the turnout is light, the government will simply inflate the totals.

About the only people who are seriously concerned about the elections are the followers of deposed President Arias, who since 1968 have nurtured the hope of staging a comeback. Because the election will confer a new legitimacy on Torrijos and because the term for which Arias was elected ends this October, their dreams are rapidly fading.

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The Significance

Since the election obviously does not represent an opportunity to change governments and since the choice between candidates is not significant, it is tempting to write off the entire affair as an exercise in cosmetology. But it is not without significance in the Panamanian context, for it is a bench mark for the Torrijos regime. If nothing else, it will demonstrate, both to domestic and foreign audiences, that the government is willing and able to stage-manage important political events. It will thus reaffirm Panama's political stability. From Torrijos' point of view (and his perceptions or misperceptions have a decisive impact on Panamanian policy), the real importance of the election may be largely psychological. Torrijos may see "legitimacy" as an end in itself, bringing him comfort and security. He may also feel the need for a kind of popular mandate and may believe that the election will bolster the authority of his government so that it can go forward with new domestic, and perhaps international, initiatives.

The election will lead to changes in political institutions which over time could be important. The nature of these changes will depend in part on the constitution now being drawn up. Many details of the proposed constitution are unavailable but, like most Latin American constitutions, this one will probably be more a catalogue of ideals rather than a statement of norms. It will be far longer and more detailed than the US constitution, yet more dependent on specific legislation for its implementation. The revised constitution can be expected to read like a manifesto of the Torrijos "revolution." The rights of worker and peasant will be spotlighted, and concern with social reform will be trumpeted. Particular attention will be given to agrarian reform, one of Torrijos' pet projects.

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For nationalistic reasons, it appears likely that the new constitution will no longer expressly recognize jurisdictional limitations contained in prior constitutions. This omission, of course, would be a mild rebuff to US control over the Canal Zone. Although in international law the effect of the change would be nil, it could lead to local problems affecting the Zone.

The most significant aspect of the new constitution will be how the executive branch is to be organized. The constitution will probably provide for a strong executive and a rubber-stamp assembly. The problem is that Torrijos has apparently decided to stay in his present position and to refuse the presidency without, however, restricting his dominant role in government. Now, Torrijos can, and does, rule by decree, and the president serves at his sufferance. A constitutional system would limit this authority. There has been speculation that a national security council will be established and the constitution could possibly require full council approval for certain types of decisions, thereby giving Torrijos an institutionalized veto power. It seems clear that Torrijos will continue to wield ultimate power whatever the legal arrangements may be.

After the election it seems likely that the cabinet will once again be reshuffled as part of Torrijos' continuing efforts to increase administrative efficiency. Torrijos has been unable to attract many new people so the new cabinet may contain a number of old faces. The ideological complexion of the new cabinet, however, will be an important barometer of Torrijos' interest in pursuing more radical or nationalistic policies on such controversial subjects as agrarian reform, seizure of the US-owned Power and Light Company, closer ties with Cuba, and the degree of flexibility in the canal negotiations with the US.

Changes within the Guard are also probable, but these will not alter the basic power alignments.

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It is not yet clear what is to happen to the newly elected assembly after it approves the constitution and elects a president and vice president. The constitution could empower it to continue in session.

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Where Next

With the election out of the way Torrijos can coast through the fall. The meeting of the assembly, the discussion of the constitution, and the election of a president and vice president will provide enough copy to keep the media and the public reasonably contented. When the fourth anniversary celebration rolls around on 11 October, the government will be able to point with pride to the establishment of a new political system and perhaps cap things off by inaugurating a constitutional president.

Still, Torrijos has some unfinished business. Probably the most pressing involves the US-owned Power and Light Company. In June, after a long dispute on rates and finances, the government took over the company and threatened expropriation if it did not promptly comply with Panamanian demands. Efforts at negotiations were unsuccessful. Torrijos, apparently more swayed by favorable press and public reaction than by warnings from President Lakas and others about economic and international repercussions, issued a decree authorizing the government to acquire all of the company's assets and providing for expropriation if agreement on purchase price and form of payment was not reached by the end of August.

Discussions on compensation have begun, but thus far no progress has been made. Once the elections are out of the way, Torrijos' need to milk a nationalistic issue of this sort may diminish. To avoid further damage to bilateral relations with the US, particularly in view of the canal negotiations, and to maintain a stable investment climate, the government may become somewhat more careful and circumspect as talks proceed.

The Power and Light case may be important as a test case for Torrijos, and the lessons learned could be a key factor in his decision whether to pursue a more aggressive nationalistic course. He will be carefully watching the US reaction and measuring the political and economic cost to Panama. If he gets away with expropriation without causing more than minor ripples in the international financial community, he may lean more heavily on the Panamanian business community and perhaps expand government control over the economy.

Also important in the post-election period will be the canal negotiations. For months the Panamanians have been attempting to put together a comprehensive counteroffer to the US. The government seems finally on the verge of agreement on a new negotiating position, one the Panamanians characterize as "flexible and reasonable." But Panama seems to see advantages in waiting until after the US elections before concluding an agreement. Although formal negotiations may soon resume, a breakthrough may not come until after November, if then.

Although the canal negotiations will put some constraints on Torrijos' "revolutionary" posture, he will continue to pursue as independent a foreign policy as possible in order to demonstrate to the world that Panama is not a client state. Expanded ties with Communist states moves toward closer relations with Cuba, and increased international travel by Torrijos appear likely.

On the whole, however, Panamanian policy will continue to be experimental and tentative. Torrijos' apparent desire to adopt more nationalistic, more revolutionary policies will be checked by economic and international restraints. Torrijos has been a realist rather than an ideologue and, within the framework of his nationalistic sensibilties, will adopt the expedient course of action. The Panamanian Communist Party, for example, which since mid-1970 has worked closely with the government, is deeply concerned that Torrijos will turn on it after the elections. Although there is as yet no evidence that Torrijos intends to do so, their fears spotlight the fact that in this, as in other policy areas, Torrijos has burned no bridges and retains ample room for maneuver.